

~~The quality of housing in rapid population growth Raleigh is fundamental to the quality of life for all City residents. Raleigh enjoys a large~~has enjoyed since the early 1990s has created an active housing market with both benefits and ~~diverse base of well-maintained~~challenges. The focus of this chapter will be on the affordable housing-~~With ample land available-~~challenge such a housing market creates for buyer and ~~zoned for the production of a variety of housing types, renter~~households with low- to moderate-incomes.

### **Raleigh's Housing Market**

Compared to other Sunbelt cities, Raleigh's housing ~~prices relative to incomes in Raleigh and~~ market imposes less of a housing burden for its residents overall. For example, the ~~Triangle Region are consistent with national averages. The~~Wells Fargo/National Association of Home BuildersBuilders' "Housing Opportunity Index" ~~indicates~~for the fourth quarter of 2016 indicated that ~~74.471~~ percent of homes for sale in the Raleigh-Cary MSA ~~during the first quarter of 2009~~ were affordable to a median income household, while nationally that figure was 60 percent. Despite that positive distinction, rising costs associated with rapid growth has created a housing market that presents challenges for buyers and renters at the lower end of the income ladder.

In March 2017, Triangle MLS reported that for Wake County, the average days on market until sale was only 44, making this a seller's market with sales prices increasing as much as 10 percent annually year-over-year. Land values are increasing as well prompting owners of older, more affordable apartments to sell to developers at ever rising prices. Market conditions, with rental vacancy rates well under 5 percent, encourage those developers to clear the site and construct denser, upscale developments. This dynamic has produced rising rents, a loss of existing privately owned affordable housing, and a subsequent increase in housing cost burden especially for low-income renters. While this market benefits homeowners wanting to sell and investors seeking a good return on investment it creates challenges for both lower income homebuyers and renters.

Census data in Table 1 provides a snapshot of Raleigh's housing stock compared to the nation as a whole

Raleigh's homeownership rate has historically been around 50 percent, while the homeownership rate nationwide is closer to 64 percent. This is due in part to the number of students attending NC State University and several other colleges and universities located in the capital city. Raleigh's median sales price is 17% higher than nationally, yet monthly costs of ownership (and rent rates) are almost evenly matched, city to country. However, Raleigh's median income is much higher than the national median income, which may account for the local market's tendency to focus production on upscale or luxury units.

Raleigh's housing market is vibrant and complex. But the need for more affordable housing is generally recognized as a challenge that the City needs to address.

Affordable slightly above the national figure of 72.2 percent. According to Housing Challenges

As the American Community Survey, the median value of owner-occupied housing units was about five percent higher in 2005—7 than the national average (\$190,500 versus 181,800) and median gross rents were the same (\$780 versus 781). By comparison, median household incomes were three percent higher (\$51,647 versus 50,007). With a housing stock almost evenly split between ownership and rental, and single family and other types, Raleigh offers housing that meets the needs of diverse households at— data in Table 1 indicates, the City has some features of its housing market close to the national experience, and some features are significantly different stages of life.

Yet, affordability constraints place good housing beyond the reach. At the “macro level” no problems appear for the City’s renters or homeowners. When Comprehensive Housing Affordability Strategy (CHAS) data, which is organized by income group, is employed to evaluate the housing experiences of many the City’s residents. According to the 2006 American Community Survey, Raleigh had 28,882 renter and 11,292 homeowner, it becomes clear that lower income residents of the City have a greater need than those of higher incomes.

As Table 2 indicates, 33,610 renter households with annual incomes below \$50,000 80 percent of area median income (AMI) were paying more than 30 percent of household income on housing (rent and utilities), while 17,890 additional renter households with incomes less than 80 percent AMI were paying more than 50% of their income for housing; many paid more than one half of their income on housing, leaving little money for food, health care, transportation or other basics. Many of to cover these households will require assistance in order to afford decent housing costs. Combined, in 2015, approximately 51,500 renter households in Raleigh with incomes below 80 percent AMI were cost burdened.

As shown in Table 3, Raleigh’s apartment vacancy rates have been below the state and nation since 2012, and this phenomenon contributes to some extent to the trend that is taking place in the City of tearing down older, affordable apartment communities and rebuilding with luxury units.

Homeowners, too, are experiencing cost burdens. As Table 4 indicates, 13,520 homeowners with incomes less than 80 percent AMI were paying more than 30 percent of income on housing costs (principle, interest, taxes and insurance); and 6,405 homeowners with incomes less than 80 percent AMI were paying over 50 percent of income on housing. Combined, in 2015, approximately 19,925 Raleigh homeowners with incomes less than 80 percent AMI were cost burdened.

Many neighborhoods where available affordable units are located do not offer standard quality housing and safety. Often the public infrastructure and amenities are aging and in need of replacement.

~~Affordable housing provides stability for families, improves opportunities for education and career advancement, and reduces the risk of homelessness for households that are dependent on low wages or fixed incomes. Affordable housing is a key factor for community vitality and continued economic growth.~~

~~The City has been able to use federal, state, and local resources to produce and preserve affordable housing. Collaborations with Wake County, the Raleigh Housing Authority, the North Carolina Housing Finance Agency, and private and nonprofit housing developers have helped to create new homeownership and rental units. The City's housing bond has been a significant resource for the development of affordable housing.~~

~~There are 7,564 units of publicly supported affordable housing within the City, including traditional public housing units and apartments developed by for-profit and non-profit housing developers with federal low income housing tax credits. Including housing choice vouchers managed by the Raleigh Housing Authority, the most current estimate of assisted affordable housing units totals nearly 11,150 units in the City, less than 5 percent of Raleigh's total housing supply.~~

~~The supply of assisted affordable housing is spread unevenly across the City. The Central Planning District includes one quarter of all assisted units, while the Umstead Planning District in Northwest Raleigh contains less than four percent of affordable housing units. The City's Scattered Site Housing Policy encourages the development of affordable housing throughout all areas of the City and rehabilitation of substandard housing in older neighborhoods.~~

Although the City has demolished a significant portion of the substandard housing stock in redevelopment areas, (building infill affordable housing in its place), there are still many areas where housing has deteriorated. In these instances, deteriorated or abandoned housing acts to can sometimes discourage new investment in the surrounding neighborhood. ~~The City uses code enforcement to require property owners to improve their properties but also provides financial assistance to help homeowners rehabilitate their homes.~~ In near-downtown locations, many such sites are being acquired by private developers and transformed into new housing opportunities often out of reach of the families of long-time residents.

~~The federal Fair Housing Act exists to prevent housing discrimination against minorities, persons with disabilities, and families. The City is committed to enforcing the Fair Housing Act using all the tools that are legally available.~~

~~The need for accessible housing is growing steadily with the aging of the population. While most households~~ Many residents of the City struggle to even find housing. Recent data from the Raleigh Housing Authority showed a total of almost 8,000 families on the waiting list for public housing or Housing Choice Vouchers. The 2016 Point-in-Time (PIT) count of persons meeting HUD's definition of homeless yielded 818 persons in the City who were homeless. Supplemental data from Wake County's school system showed over 2,500 students living in motels/hotels and

local knowledge by homeless service providers identifies persons and families “doubled up” with relatives or friends. Neither group meets the HUD definition so the real homeless need is greater than the official Point in Time count of 818.

Considering these numbers, Raleigh’s existing affordable housing challenge becomes apparent. Recent demographic trends suggest that the challenge will be even greater in the City’s future. As the following graph (developed for Wake County’s affordable housing plan steering committee) indicates, the greatest household growth in Wake County in the period 2000—2015 was among lower income demographics.

Location of housing affordable to lower-wage residents who may have transportation challenges (lacking a reliable car, for example) can often be a barrier to steady employment, attending school, etc. unless low cost and reliable public transit options exist to connect the housing to employment centers, grocery stores, schools, and other amenities. It isn’t always possible to make sure that every new affordable apartment community built in the City, for example, is served by bus service that connects residents to their jobs or schools.

### **Raleigh’s Affordable Housing Programs**

The City’s role in addressing its housing affordability problems is part of a larger partnership involving Wake County, Raleigh Housing Authority, local nonprofit organizations, builders, and state and federal funding agencies. Of the latter, HUD has traditionally been the driving force nationally among most cities (except the smallest) of writing the rules and providing the funding for housing and community development. The three most-used federal programs for these purposes are the Community Development Block Grant (CDBG), the HOME Investment Partnership (HOME), and, for homelessness specifically, the Emergency Solutions Grant (ESG). All three are provided to the City as an entitlement, that is, the funds are provided annually by formula, pending the City’s participation in HUD’s Consolidated Plan regulations, and other federal compliance (fair housing, civil rights, wage rates, environmental law, etc.) requirements.

For decades the City of Raleigh has offered a variety of assistance programs to address the housing needs of low- and moderate-income (LMI) residents of the City. Like most American cities the assistance has been restricted to LMI households as defined by the U.S. Department of Housing and Urban Development, or HUD. The top income for decades has been households earning no more than 80% of the metropolitan area’s median income (AMI), adjusted for household size. Some programs are targeted to those at lower income levels (30%, 50%, and 60% of AMI). Table 5 shows the alignment of City housing programs available with the corresponding income groups.

Table 5 reflects the fact that financial assistance is directed to households below the national, long-standing standard of no more than 80% of area median income, adjusted for family size. Different types of programs are available depending on how much below 80% the household falls. For example, rental units created with federal resources are restricted by federal law to

households not making more than 60% of area median income. Those individuals and households earning more than 80% of AMI (such as those making 81% - 120% of AMI, sometimes referred to as the workforce) are not served by City or federal funding sources outside of the federal subsidy of homeownership and the mortgage interest deduction, estimated at \$70 Billion annually. This group has a need for housing in their price range and this need is being addressed at the state level. The City of Raleigh uses its zoning ordinance to make sure developers are not restricted in their ability to serve this market segment.

There are 10,766 units of publically-supported affordable housing within the city, including traditional housing units and apartments developed by for-profit housing developers with federal low-income housing tax credits. Including housing choice vouchers managed by the Raleigh Housing Authority (RHA), the most current (2016) estimate of assisted affordable housing units totals nearly 14,635 units in the city, about 8 percent of Raleigh's total housing supply.

In 2016, Raleigh City Council increased the ad valorem by one cent for the purpose of creating and preserving affordable rental housing. The supply of assisted affordable housing is spread unevenly across the city. The Affordable Housing Location Policy adopted in September 2015 encourages the development and rehabilitation of city-subsidized affordable rental housing throughout all areas of the city, with emphasis on locations near transit or within the downtown or neighborhood revitalization strategy areas. The City's practice is to solicit both 9 percent and 4 percent tax credit proposals from affordable housing developers annually, and provide low-interest loans to assist with the financing.

Raleigh's housing stock is 62% single-family detached and many of these units are aging. Many of these older houses are clustered in low-income areas near downtown. The City provides financial assistance to help homeowners rehabilitate their homes.

While most homeowners would prefer to "age in place," many are forced out of their homes when a physical disability makes it impossible for them to manage stairs. ~~New universal design approaches incorporated into new housing will allow individuals to stay in their homes for a longer period by making modifications simpler and less expensive.~~ The rehab program also provides assistance to these aging homeowners.

For renters that want to transition to homeownership, the City supports homeownership counseling and provides zero-percent deferred downpayment assistance of up to \$20,000. In addition, downpayment assistance can be used throughout the City.

The City also facilitates homeownership opportunities through neighborhood revitalization investments that result in the creation of infill housing. Downpayment assistance is available for LMI homebuyers to acquire these infill units.

In addition to infill housing, neighborhood revitalization efforts include: citizen engagement, master planning, site planning, infrastructure development, new sidewalks and curbs, and new construction of affordable housing. Other revitalization activities are: parks, transit stops, employment opportunities, and greenway connections.

Other types of housing are needed to meet residents' special ~~requirements~~needs for ~~shelter and support~~housing with supportive services. ~~Supportive housing includes emergency housing, transitional housing that provides structured programming for up to two years, and~~In 2016, the Raleigh Wake Partnership to End and Prevent Homelessness, the City, the County, and Catholic Charities moved forward with the development of the Oak City Center, a multi-service center for the homeless that will include coordinated entry and assessment based on a Housing First approach. The goal is to fulfill the vision of making homelessness "rare, brief, and nonrecurring," as stated in Opening Doors: The Federal Strategic Plan to Prevent and End Homelessness, presented to Congress in 2010 by the United States Interagency Council on Homelessness.

Permanent supportive housing for persons with special needs is also a major need. The City's Unified Development Ordinance has a definition of "supportive housing residence" that guides its zoning approvals, which include minimum separation of similar units. But in the context of the City's investments in permanent supportive housing ~~for persons with~~ (PSH) the following definition is provided by the U.S. Interagency Council on Homelessness: "housing intervention that combines non-time-limited affordable housing assistance with wrap-around supportive services for people experiencing homelessness, as well as other people with disabilities, ~~including individuals with chronic mental illness, developmental disabilities, substance abuse, and HIV/AIDS.~~." The City makes funds available to nonprofit developers to build permanent supportive housing, usually through small scale efficiency apartments that include non-residential space for counseling or group activities within the development.

~~*Ending Homelessness: The 10-Year Action Plan* prepared by Wake County, City of Raleigh, Wake Continuum of Care, and Triangle United Way in 2005 has established a strategy for preventing and ending homelessness through provision of affordable housing and intensive case management. The Housing and Neighborhoods chapter of the City of Raleigh Community Inventory Report, the data and analysis companion volume of the Comprehensive Plan, provides background information and analysis of the City's housing stock and housing needs.~~

~~The Housing Element of the Comprehensive Plan provides policy guidance on the City's housing stock and the future location and mix of housing within the City's planning jurisdiction. It emphasizes the importance of providing a range of housing types throughout Raleigh and the importance of providing housing opportunities for all segments of the City's population. The critical housing issues addressed here include:~~

- ~~• Raleigh has a shortage of affordable housing for low and moderate income households particularly~~

~~for households with incomes less than 50/60 percent of the Area Median Income, who remain the focus for public sector support—underscored by the Raleigh Housing Authority’s long waiting list;~~

- ~~• The City has seen a loss of private market affordable rental and ownership units in recent years, resulting in lagging homeownership rates among low and moderate income households;~~
- ~~• There is an abundance of vacant and closed houses in the areas near downtown which discourages investment in neighborhoods;~~
- ~~• Affordable housing is heavily concentrated in the areas near downtown and is not distributed across the City. Incentives and strategies are needed to provide affordable housing options throughout Raleigh;~~
- ~~• There is a need for incorporating affordable housing units in projects involving City owned or other publicly owned properties; and~~
- ~~• There is an insufficient supply of housing for residents~~

Both County and City are actively engaged in transit planning and implementation. In early 2017, Wake County began implementing the new Wake County Transit Plan using revenues from sales tax. The main components of the County plan, which will have a significant impact on Raleigh’s residents, are: (1) Increase bus service frequency, reliability, and reach from 17 to 83 miles; (2) implement Bus Rapid Transit, initially along four corridors in Raleigh; and (3) implement approximately 37 miles of Commuter Rail Transit, connecting downtown Raleigh to Raleigh Durham airport, Cary, Research Triangle Park, and Durham. The City, too is investing in transit by expanding Moore Square Transit Station and Union Station, a \$62 million multi-modal facility.

These improvements to the transit network will improve people’s connections within Raleigh and regionally to job centers, public schools, public facilities, and amenities. Such improvements, though they benefit the City as a whole, will help those persons of lower income more likely to have limited transportation options outside of public transit.

## **City of Raleigh Affordable Housing Location Policy**

### **Objectives**

The purpose of the Affordable Housing Location Policy is to set forth desired outcomes relative to the creation or preservation of affordable multifamily rental housing with the overall goal of affirmatively furthering fair housing choice for all residents. Specific objectives of the Policy include the following:

- To increase the supply of affordable housing in underserved locations near employment and commercial centers;
- To encourage the development of affordable housing near existing and proposed transit services;
- To provide for affordable housing in and near downtown Raleigh and in neighborhoods having approved revitalization plans; and
- To prevent further concentrations of minority and low-income persons and subsidized housing.

## **Exemptions**

This policy shall apply to any multi-family rental development that is funded in whole or in part by the City of Raleigh or requires the approval of City Council with the following exemptions:

- The rehabilitation of existing units.
- Developments serving elderly or disabled populations.
- The replacement of affordable rental units lost to demolition or conversion subject to a determination by the Housing and Neighborhoods Department and subsequent approval by City Council that the proposed replacement housing will serve the same market area or neighborhood.

## **Geographic Applicability and Exceptions**

As a means of implementing this policy, newly constructed subsidized multi-family housing developments will not be allowed in census tracts having a concentration of minority or low-income persons or subsidized rental housing unless the proposed project qualifies for one or more of the following exceptions:

- Developments located within a one-half mile radius of a proposed rail or bus rapid transit station;
- Development located within one-half mile of a transit stop served at intervals of 15 minutes or better in each direction throughout the day;
- Developments located within the boundaries of the Downtown Element in the Comprehensive Plan; or
- Developments which are implementing elements of a mixed-income neighborhood revitalization plan approved and funded by City Council.
- Waiver Process
- City Council has the authority to grant waivers on a case-by-case basis. Developers seeking a waiver shall submit a written request to the Housing and Neighborhoods Department. Department staff will evaluate the request and submit an analysis and recommendation to Council.

## **Definitions**

For purposes of this policy, the following definitions apply:

Multi-Family Housing: Housing developments consisting of greater than 24 residential units.

Subsidized Multi-Family Housing: Any multifamily housing development consisting of greater than 24 residential units financed in whole or in part with local, state or federal financial assistance where the subsidized housing units are restricted to serve households earning 60% or less of the area median income (AMI).

Disabled: Having a physical or mental disability that substantially limits one or more major life activities, having a record of such impairment or being regarded as having such impairment.

Elderly: Housing occupied by one person who is 55 or older in at least 80% of the occupied units.

Concentration of Minority and Low Income Persons: Census tracts in which the percentage of minority residents equals or exceeds 50% or census tracts where the percentage of households living in poverty equals or exceeds 30%.

Concentration of Subsidized Rental Housing: Census tracts in which subsidized multi-family housing and rental units occupied by households with tenant-based Section 8 vouchers\* equals or exceeds 8% of the total rental stock, excluding housing for the elderly or disabled. \*Data provided by RHA in 2014.

### **Review Procedures**

The Housing and Neighborhoods Department shall be responsible for reviewing all proposals for the development of subsidized multi-family housing to determine compliance with this Policy.

### **Policy Updates**

Maps depicting areas of concentration will be updated not less than every five years in conjunction with updates or revisions to the Housing Element of the Comprehensive Plan.

### **Recent Raleigh Initiatives**

From 2015 to 2017 a variety of public actions and documents were completed that will have an impact at least through 2020 on the supply and location of affordable housing in Raleigh. These were:

- Completion of a regional Analysis of Impediments to Fair Housing Choice (AI) with Wake County, the Town of Cary, and the two housing authorities.
- Adoption of the 2016-2020 five-year Consolidated Plan (ConPlan) to guide City investments in affordable housing and neighborhood revitalization, priorities being (1) increasing the supply of affordable housing, (2) enhancing the homeless to housing continuum, and (3) neighborhood revitalization.
- Adoption of the Affordable Housing Location Policy to guide new City-supported affordable multi-family housing developments to opportunity areas and discourage concentrations of subsidized rental developments in areas where racial minorities and poverty are concentrated.
- Adoption of an Affordable Housing Improvement Plan (AHIP) which established options for City investments in affordable housing, using the three priorities contained in the 2016-2020 ConPlan.

- Institution of an ad valorem tax on the residential real estate tax rate to generate local revenue dedicated to affordable rental development and housing rehabilitation.
- Selection of site and budgeting of funds by the City and County for acquisition and up-fit of existing building to create (with Catholic Charities) a multi-service and coordinated entry/assessment center for homeless persons.
- Adoption of a City Strategic Plan, part of which pertains to housing and neighborhood revitalization under a “Safe, Vibrant, and Healthy Community” objective.

### **The City Strategic Plan housing-specific objectives and actions were as follows:**

**Objective 2:** Preserve and increase the supply of housing for all income groups, including those with supportive service needs.

Establish partnerships to provide for a homeless service resource center.

Expand partnerships to increase the supply of permanent housing for formerly homeless and at-risk persons with special needs.

~~These issues affect every facet of the Comprehensive Plan. They influence land use and density decisions, shape infrastructure and community service needs, and determine transportation demand. As described in the Framework chapter, Raleigh’s Vision for 2030 is structured to address local housing issues through six vision themes or citywide goals. New housing choices will allow much closer *Coordination of Land Use and Transportation* with creation of diverse and affordable housing opportunities near transit stations and corridors. *Managing Our Growth* requires a move away from the monoculture of large lot, single family subdivisions to a more land efficient model that accommodates a variety of housing styles, including smaller infill units. *Achieving Economic Prosperity and Equity* cannot occur without equal access to housing and new affordable housing opportunities. Providing affordable and workforce housing will ensure that Raleigh employers have access to a vibrant and diverse workforce into the future. *Growing Successful Neighborhoods and Communities* is largely based on the provision of quality housing for all residents. Finally, abundant affordable housing dispersed throughout the City will have a positive impact on air quality as more people will be able to live close to work and will not need to drive as much, helping to achieve the vision theme, *Greenprint Raleigh—Sustainable Development*.~~

~~The Economic Development Element provides additional policies and actions for neighborhood revitalization and developing jobs and workforce skills that will help residents meet their housing needs. Mixed-use development is discussed in the Land Use and Urban Design Elements. The Transportation Element addresses issues of mobility and access to public transit.~~

Seek new partnerships for the development of mixed-income housing in or near the Downtown area.

Replace the Scattered Site Policy with a tool that affirmatively sets forth desired housing outcomes [see new Affordable Housing Location Policy below].

Evaluate funding strategies to support affordable housing; review, modify or expand housing programs and tools.

**Objective 3:** Endorse targeted redevelopment through walkable, mixed-use and mixed-income neighborhoods.

Prepare and adopt plans for targeted areas characterized by disinvestment and consider funding strategies to implement plan components.

Identify and address acquisition priorities in redevelopment areas to eliminate blight and create critical land mass for future development.

Strengthen neighborhood social fabric through community outreach, engagement and communication.

Policies and actions of this Element appear below. Numbers indicate their relationship to the Vision Themes. The availability of safe, decent, affordable housing will largely determine the success of the City's vision themes:

- 1.- \_\_\_\_ Economic Prosperity and Equity
- 2.- \_\_\_\_ Expanding Housing Choices
- 3.- \_\_\_\_ Managing Our Growth
- 4.- \_\_\_\_ Coordinating Land Use and Transportation
- 5.- \_\_\_\_ Greenprint Raleigh
- 6.- \_\_\_\_ Growing Successful Neighborhoods and Communities

### ~~E~~**7.1** ~~Quality and Diversity of~~ Affordable Housing

~~Fundamental to residents' quality of life is the quality of their home. Raleigh enjoys a large supply of attractive, quality housing. Much of this supply consists of single family detached houses at relatively high prices. Choices are more limited for young and smaller households, those with lower incomes, and those with special housing needs. Few neighborhoods accommodate households with a range of incomes, limiting opportunities for families to stay in the neighborhood as their situations and housing needs change. Affordable assisted housing is disproportionately concentrated in the Central, East, and Southeast planning districts with more than 42 percent of all assisted units in just three of the City's ten planning districts.~~

The policies and actions in this chapter assist in guiding the City in addressing the affordable housing challenges described in the introduction of this element.

### **Policy H 1.1 Mixed-Income Neighborhoods**

Promote mixed-income neighborhoods throughout the City, particularly within high-density development at employment centers, downtown, within NRSAs and along transit corridors. ~~(1, 2, 3, 4, 6)~~

### **Policy H 1.2 Geographic Dispersal of Affordable Units**

Promote dispersal and production of affordable ~~and workforce~~ housing units throughout all areas of the City. ~~(1, 2, 3, 6)~~

using the City's Housing Location Policy ~~H 1.3 Energy Efficiency~~ adopted in 2015.

~~Ensure that all new publicly supported housing construction and rehabilitation meet energy efficiency standards, such as those set by the current System Vision Energy Guarantee Program. (2, 5)~~

### **Policy ~~H 1.4 Assisted~~ H1.3 Affordable Housing Design**

All housing, including ~~assisted~~ subsidized affordable and market rate housing, should be designed so that it blends with the context of the neighborhood in which it is located, emphasizing quality design and appearance. ~~(1, 2, 6)~~

### **Policy H 1. ~~5~~ 4 Scattered Site Infill**

Support small, scattered-site ~~rental~~ residential developments on infill lots where appropriate and where design respects the neighborhood scale and context. ~~(1, 2, 4, 5, 6)~~  
*~~See also Policy LU 8.12 'Infill Compatibility' and Action LU 8.4 'Infill Standards'.~~*

### **Policy H 1. ~~6~~ 5 Housing Preservation**

Encourage the preservation of existing housing units whenever feasible, especially structures of historic or architectural significance. ~~(2, 5)~~

## **Policy H 1.7 ~~Public Housing Alteration~~**

~~The Raleigh Housing Authority (RHA) should jointly plan with City departments, and City departments should take the initiative in assisting the RHA, in the early stages of major renovations, large new developments, and redevelopments, such as projects undertaken under the HOPE VI program, so as to facilitate a smooth land development process. (6)~~

## **Policy H 1.8 Zoning for Housing**

~~Ensure that zoning policy continues to provide ample opportunity for developers to build a variety of housing types, ranging from single-family to dense multi-family. Keeping the market well supplied with housing will moderate the costs of owning and renting, lessening affordability problems, and lowering the level of subsidy necessary to produce affordable housing. (2)~~

## **Policy H 1.8 Zoning for Housing**

Ensure that zoning policy continues to provide ample opportunity for developers to build a variety of housing types, ranging from single-family to dense multi-family. Keeping the market well supplied with housing will moderate the costs of owning and renting, lessening affordability problems, and lowering the level of subsidy necessary to produce affordable housing. (2)

## **Action H 1.1 Affordable Rental Program Expansion**

~~Acquire and maintain, through the City of Raleigh's Affordable Rental Program, additional~~

## **Policy H 1.7 Housing Diversity**

Promote housing diversity and affordable rental units/housing choices for households ~~below 50 percent of median income throughout all areas of the city.~~

Action H 1.2 Reserved

Action H 1.3 Reserved

## **Action H 1.4 Consistency Between Plans**

~~Review RHA annual action plans to ensure consistency with Raleigh's Consolidated Plan, neighborhood plans, and Raleigh's Redevelopment Area Plans.~~

## **Action H 1.5 City and RHA Meetings**

~~Institute regular meetings between City departments and the RHA to review ongoing or future construction / redevelopment projects.~~

## **E.2 Affordable and Workforce Housing**

~~As of 2000, more than 26,500 low-income households experienced a housing cost burden, spending more than 30 percent of their gross income on housing costs, up 32 percent from 1990. Among low-income renter households with incomes less than \$20,000, 89 percent experienced a cost burden. These cost burdened households comprised 62 percent of households in this income bracket and 30 percent of all households in Raleigh. A total of almost 8,000 families are on the waiting list for public housing or Housing Choice Vouchers. Even at somewhat higher incomes, many public sector employees and service providers find themselves priced out of the local housing market. Without an adequate base of workforce housing, Raleigh employers will experience a shortage of potential workers in important segments of the economy. In these times of high gasoline prices, transportation costs are absorbing a larger and larger share of household budgets, reducing the opportunities to move farther out to find lower-cost housing. Within rental housing, the greatest affordable housing need is for households with incomes below 60 percent of the~~AMI or below in the immediate ~~area median family income (AMI). For ownership housing, affordable housing typically responds to the needs of households with incomes up to 80 percent of AMI, while workforce housing addresses the needs of households earning up to 120 percent of AMI. Raleigh is facing two challenges: creating new affordable and workforce housing, and preserving existing affordable housing~~around transit corridors.

~~Map H 1: Affordable Assisted Housing, identifies and illustrates housing in Raleigh by affordable rental units, low income housing tax credit units, joint venture units, housing authority, and other rental units.~~

#### **Policy H ~~2.1 Permanent~~8Permanent Funding Source for Housing**

~~Provide~~Ensure permanent local funding to help produce and preserve affordable housing units. (1, 2, 6)

#### **Policy H ~~2.2 Expanded Housing Assistance~~**

~~Expand the City's range of housing assistance programs benefiting low and moderate income persons by supplementing existing federal and state programs. (1, 2, 6)~~

#### **Policy H ~~2.3 Non-Profit Capacity Building~~1.9 Existing Housing**

~~Work with non-profit housing providers to expand their capacity to develop affordable housing. (1, 2, 6)~~

#### **Policy H ~~2.4 Housing Preservation~~**

Encourage reinvestment, ~~preservation~~, and maintenance of the existing housing stock to prevent the conversion of ~~existing~~ affordable housing units to market-rate units, including funding the City's housing rehabilitation programs. (1, 2, 6)

## **Policy H ~~2.5~~1.10 Removing Housing Barriers**

~~Address~~Examine regulatory and policy barriers to affordable housing development while still maintaining Raleigh's high-quality development standards. ~~(1, 2, 3, 6)~~

## **Policy H ~~2.6~~1.11 Long-Term Affordability**

Ensure that newly created for-sale and rental affordable housing units developed with City financial assistance remain affordable for more than 20 years through a Community Land Trust, developer agreements with 40- to 60-year affordability periods, or similar mechanisms. ~~(1, 2, 6)~~

## **Policy H ~~2.7~~1.12 Affordable Set-Asides in Projects**

~~Include a~~Encourage a 20% minimum set-aside of affordable housing units in housing or mixed-use projects involving City-owned ~~or other publicly-owned~~ properties. ~~For City-owned properties, the set aside should be 15 to 20 percent.~~ ~~(1, 2, 3, 4, 6)~~

## **Policy H ~~2.8~~ Accessory Dwelling Units**

~~Promote the construction of accessory dwelling units above garages, or "granny flats," and cottage/small lot ordinances, to provide affordable and workforce housing options and help accommodate future citywide residential demand.~~ ~~(1, 2, 3, 6)~~

## **~~Policy H 2.9.~~13 Housing on Public Sites**

Use available City-owned sites for affordable housing. ~~(~~

## **Policy H 1, 2, 6)**

## **Policy H ~~2.10.~~14 Incentives on Private Sites**

~~Provide incentives for the development of~~Incentivize private developers to create new affordable housing on privately-owned ~~vacant~~ sites. ~~(~~ through city funding.

## **Policy H 1, 2, 6)**

**Policy H ~~2.11~~ 1.15 Site Assembly for Housing**

Continue to acquire vacant and substandard residential lots and assemble into standard lots for new affordable or mixed-income housing. ~~(1, 2, 5, 6)~~

**Policy H ~~2.12~~ 1.16 Minimize Displacement**

~~Support programs that minimize~~ Minimize residential displacement ~~by~~ resulting from redevelopment activity and provide replacement housing ~~in the general area of the original housing.~~ ~~(1, 2, 6).~~

**Policy H ~~2.13~~ 1.17 Transit Accessibility**

Preferentially locate affordable housing in areas with good access to transit services. ~~(1, 2, 3, 4, 5, 6)~~ and/or locate transit in areas currently occupied by subsidized affordable housing.

**Policy H ~~2.14~~ 1.18 Transit Availability**

Expand public transit to serve housing in all parts of the City. ~~(1, 2, 3, 4, 5, 6)~~

**Policy H ~~2.15~~ 1.19 Affordable Units in TODs**

Provide zoning and financial incentives for inclusion of affordable ~~and middle income~~ housing near transit stations, particularly for persons with disabilities. ~~(1, 2, 3, 4, 5, 6)~~

**Action H ~~2~~ 1.1 Housing Trust Fund**

Create a local dedicated source of funding for affordable housing which is recurring and included in the 5 year capital budget.

## **Action H ~~1.2.2 Community Land Trust~~ Additional Affordable Housing Tools**

~~Create~~Explore creating additional affordable housing using vehicles (such as a Community Land Trust, deed restrictions, and long term shared equity appreciation mechanism) to assure long-term or permanent affordability of housing.

## **Action H ~~2~~1.3 Reserved**

### ~~Action H 2.4 Bundling Public Sites~~

~~Bundle prime City-owned development sites, such as downtown sites, with sites located in neighborhoods in need of reinvestment and affordable housing and in High Priority Areas, as defined in Raleigh's Scattered Site Policy. Developers bidding to develop the prime sites would also have to make plans for the redevelopment of the bundled sites.~~

### ~~Action H 2.5 Scattered Site Policy Change~~

~~Modify the City's Scattered Site Policy to provide greater flexibility to developers to create more mixed income communities by indexing local requirements to the requirements of the state low-income housing tax credit program so as to enable larger mixed income developments and increase the number of affordable units produced, while ensuring that affordable units are distributed throughout the development.~~

### ~~Action H 2.6 Review of Housing Loan Policies~~

~~Review City housing loan policies to ensure that requirements for return on investment do not override goals of affordable and middle income housing.~~

### ~~Action H 2.7 Fast Tracking Affordable Units~~

~~Provide an expedited or fast tracking development review process for housing developments that include at least 10 percent affordable units or 20 percent workforce units.~~

### ~~Action H 2.8 Reserved~~

### ~~Action H 2.9 Reserved~~

### ~~Action H 2.10 Educational Material for Removing Barriers~~

~~Develop educational material promoting the benefits of having a balanced distribution of affordable units in Raleigh.~~

### ~~Action H 2.11 Reserved~~

## **~~Action H 2.12~~ Monitoring of Expiring Subsidies**

Track existing rental housing units with federal expiring use subsidy contracts or affordable rents to mitigate the loss of these units.

**Action H ~~2.13~~1.4 Foreclosure Acquisition**

Consider establishing a program to advance funds for the acquisition foreclosed or other existing properties for the purposes of providing long term affordable housing.

**Action H ~~2.14~~1.5 Impact Fee ~~Waivers~~Relief**

Develop a funding mechanism to pay impact fees imposed on affordable housing units and provide capital grants to reduce land acquisition and site development costs in developments that serve very low-income households, particularly in downtown.

**Action H ~~2.15~~ Reserved**

**~~Action H 2.16~~1.6 Housing Program Capacity**

Determine and implement the appropriate level of staffing to implement the Comprehensive Plan's housing policies and actions.

**Action H ~~2.17~~1.7 Land for Affordable Housing**

~~Purchase~~Create a program to purchase and “bank” vacant land or land that can be redeveloped to support affordable housing.

**Action H ~~2.18~~1.8 Sustainability Incentives**

Provide financial incentives to developers of affordable housing to ensure that homes are designed to minimize energy costs and meet sustainable design principles.

**Action H ~~2.19~~ Reserved1.9 Create Partnership Program**

Develop and implement a partnership program to increase local nonprofit housing providers' administrative and programmatic capacity.

#### **Action H ~~2.20~~1.10 Projects Involving City-Owned Land**

Establish a procedure in the land ~~disposition~~development process to ensure that residential or ~~mixed-use~~mixed-use projects involving any City-owned land, ~~as defined in Raleigh's Scattered Site Policy, include~~include a minimum of 15 to 20 percent of all residential units as affordable to households below 80 percent of AMI.

#### **Action H ~~2.21~~1.11 Affordable Housing Production Goal**

Develop a mechanism for establishing a measurable affordable housing production goal.

#### **Action H ~~2.22 Non-Profit Support~~1.12 Affordable Rental Program Expansion**

~~Financially support the activities of nonprofits~~Continue to create new programs to implement the 2015 AHIP that will provide ~~transitional, emergency~~incentives to private developers to preserve lower-cost rental communities in Raleigh instead of demolishing or converting them to upscale rental housing.

#### **Action H 1.13 Zoning for Mixed Income**

Develop zoning provisions for transit-oriented development that promote housing diversity and affordable housing choices available to households at 60 percent of AMI or below in the immediate area around transit corridors.

### **7.2 Addressing Homelessness and Special Needs**

A desire for decent, safe and sanitary housing is a basic human need that everyone shares regardless of access to resources. Since 2010 when the Interagency Council on Homelessness issued Opening Doors: The Federal Strategic Plan to Prevent and End Homelessness, the City has been working with Wake County and the Raleigh/Wake Partnership to End and Prevent Homelessness (the Partnership) to effect system change in the way services, and permanent housing for- are provided to the homeless to better align with this federal directive.

#### **~~E.3 Supportive and Special Needs Housing~~**

~~Wake County, the City of Raleigh, Wake Continuum of Care, and Triangle United Way developed Ending Homelessness: The 10 Year Action Plan in 2005, a comprehensive strategy for ending homelessness. That strategy focuses on providing “housing first” and then addressing other needs through intensive case management. It draws together the efforts of a range of government and non-profit organizations to address this deep-seated social problem. One of the keys is increasing the supply of affordable housing, particularly for persons working in minimum and other low-wage jobs. (Refer to Map H-2: Supportive Housing for supportive housing locations in Raleigh.)~~

~~Supportive housing is housing accompanied by direct services designed to help individuals and families overcome the health, social, financial, and employment problems that contributed to their homelessness. Many units are designed as transitional housing available to individuals and families for a limited period of time as they prepare to move into long-term housing.~~

Beginning in 2015, the City, Wake County, and the Partnership, working together, selected Catholic Charities of the Diocese of Raleigh to assist with the creation of a multi-service center (the Oak City Center) to facilitate implementation of a communitywide Housing First strategy using coordinated entry at the new Center, data sharing among service providers, referrals, food distribution, and basic services to people who are homeless or at-risk of becoming homeless. Other groups with unique needs that the private market may not adequately address are those with disabilities and/or needing support services connected to their residence and those faced with displacement from disasters.

The policies and actions that appear below help guide the City in addressing these issues.

### **Policy H ~~3~~2.1 Homelessness Prevention**

Address the root causes of homelessness resulting from re-entry, deinstitutionalization, and poverty by supporting workforce training, access to transportation, access to affordable child care, counseling and other strategies to help low-income residents reach self-sufficiency and afford housing. ~~(1, 2, 4, 5, 6)~~

### **Policy H ~~3~~2.2 Supportive Services**

~~Continue and strengthen~~Strengthen linkages and coordination ~~between~~among all public and nonprofit agencies ~~and Public Housing Authorities (PHAs)~~ that **provide affordable housing and supportive services** ~~and businesses. (1, 2).~~

### **Policy H ~~3~~2.3 Assistance to Homeless Service Providers**

Promote the efforts of ~~governmental~~ government agencies, the Continuum of Care, non-profit organizations, and the private sector ~~such as, the Continuum of Care Collaborative, Wake County Supportive Housing, Wake County Housing and Community Development~~ to increase access to emergency shelter, rapid re-housing and homelessness prevention programs, as well as increase the supply of ~~transitional, emergency housing services and,~~ permanent housing, and permanent supportive housing for ~~the~~ homeless. ~~(1, 2, 6)~~ individuals and families.

#### ~~Policy H 3.4 Integrated Core Programs~~

~~Support Wake County in creating an integrated, comprehensive system of care to provide health and behavioral health care, housing, and social services. (1, 2)~~

#### ~~Policy H 3.5 Supportive Housing~~

~~Promote development of additional housing serving persons with disabilities.~~

#### ~~Action H 3.1 Ending Homelessness Action Plan~~

~~Implement prevention, housing, and service strategies outlined in the 2005 document Ending Homelessness: The Ten-Year Action Plan (see text box).~~

#### ~~Action H 3.2~~ 2.1 Very Low Income Rentals Housing

Continue to develop and preserve additional homeownership and rental units that are affordable to households below 50 percent of area median income.

#### ~~Action H 3.3 Transitional and Emergency Housing~~

#### ~~Financially~~ Action H 2.2 Financial Support for Nonprofits Addressing Homelessness

Continue to financially support the activities of ~~non-profits~~ nonprofits to provide ~~transitional and emergency housing services for~~ to the homeless.

#### ~~Ending Homelessness: The Ten-Year Action Plan~~

~~The following is a summary of the strategies outlined in the 2005 Council adopted document Ending Homelessness: The Ten-Year Action Plan. The strategies below address three of the Plan's objectives: Prevention, Housing, and Services and Support.~~

~~Objective: Prevention Prevent individuals and families from becoming homeless through comprehensive discharge planning and targeted resources.~~

~~A. Create and execute comprehensive discharge plans for people leaving institutions.~~

~~B. Design and implement an integrated prevention effort.~~

~~C. Pursue prevention activities within the public school system.~~

Objective: Housing

~~Expand the availability and choices of permanent housing that are affordable to individuals and families with extremely low incomes.~~

~~A. Increase the supply of permanent affordable housing.~~

~~B. Develop resources for supportive services available to and those in housing.~~

~~C. Educate funders, developers, and citizens.~~

~~D. Establish a Housing First model (permanent housing provided immediately to persons who are homeless, along with voluntary supportive services).~~

Objective: Services and Support

~~Enhance services and support for people who are homeless, at-risk of homelessness, or recently homeless to help them achieve maximum independence and self-sufficiency~~such as homelessness prevention and diversion, rapid rehousing, emergency shelter, and permanent supportive housing.

~~A. Expand the capacity to serve people with mental illnesses and/or substance use disorders.~~

~~B. Expand current multi-service centers to serve as “one-stop shops.”~~

~~C. Implement targeted services for those with special needs.~~

~~D. Promote an integrated, comprehensive system of care.~~

Action H-3.4 Reserved

Action H-3.5 Reserved

### ~~E.4~~7.3 Fair Housing, Universal Design, and Aging in Place

The federal Fair Housing Act prohibits housing discrimination ~~by landlords, real estate companies, banks or other lending institutions, and homeowner insurance companies that make housing unavailable to persons because~~for reasons of race ~~or~~, color, religion, ~~sex~~, national origin, sex, disability, familial status, or disability. ~~While progress has been made, discrimination still impacts Raleigh families, closing them out of the market and preventing access to quality housing. The~~

~~2007~~The City is committed to enforcing the Fair Housing Act using all the tools legally available. In 2015, a Regional Analysis of Impediments to Fair Housing Choice ~~identified significant disparities in~~ was completed to inform the City, Wake County, the Town of Cary, the Raleigh Housing Authority, and the Housing Authority of the County of Wake on any remaining barriers that may exist in the local ~~area mortgage lending and real estate transactions between minority and non-minority households that affect~~ housing market. See the ~~ability of minority households to obtain mortgage financing and buy homes. The Analysis also identified the lack of effective and consistent fair housing enforcement to be a barrier. The City does not have a fair housing department or agency to receive complaints, conduct testing, and promote education and outreach and does not have the legislative authority to undertake such programs~~ sidebar titled City Response to Analysis of Impediments to Fair Housing Choice.

With the rapidly growing number of aging households, Raleigh will face increasing needs for housing suited to the needs of the elderly and ~~other~~ persons with disabilities ~~and~~, including housing that can ~~evolve~~ affordably be adapted to meet ~~the~~ residents' changing needs ~~over~~ throughout their lifetime. Incorporated ~~at the time when~~ the home is built, universal design includes wider ~~door frames~~ door frames, structural accommodations for adding grab bars at a later date, counters that can be accessed by persons in wheelchairs, and other features that would allow persons with disabilities to function. Beyond the housing unit itself, access to transit is very important for the elderly and persons with disabilities.

The policies and actions that appear below help guide the City in addressing these issues.

#### **Policy H 43.1 Fair Housing Act Enforcement**

~~Ensure~~ Promote enforcement of the federal Fair Housing Act through landlord training and conferences to provide equal access to housing and prevent unfair lending practices.  
(1, 2)

#### **Policy H 43.2 Aging in Place**

Promote universal design and lifecycle housing to facilitate the ability of homeowners and neighborhood residents to age in place in their homes and neighborhoods. (1, 2, 6)

#### **Policy H 43.3 Housing for ~~the Disabled~~ Persons with Disabilities**

Support development of accessible housing for residents with disabilities, particularly near transit stations and corridors. ~~(1, 2, 4, 6)~~

#### **Policy H ~~4~~3.4 Housing for Seniors**

Provide and fund housing rehabilitation programs that assist elderly homeowners to repair, modernize and improve the energy efficiency of their homes, and remove barriers to ~~age~~aging in place. ~~(2, 3)~~

#### **Action H ~~4~~3.1 Tax Relief for Seniors**

Explore additional property tax relief mechanisms for elderly and low-income households facing rising tax cost burdens.

#### **Action ~~H 4.2 Fair Housing Ordinance Review~~**

~~Make any changes needed in the City's Fair Housing Ordinance to become substantially equivalent with the federal Fair Housing Act as amended and actively pursue enforcement.~~

#### **~~Action H 4.3 Reserved~~**

#### **~~Action H 4.4~~2 City Sponsored Residential Construction and Rehabilitation**

Expand Community Development's use of universal design and visitability in City-sponsored residential construction and rehabilitation, including infill developments in Redevelopment Areas.

#### **Action ~~H 4.5 Reserved~~3.3 Fair Housing Ordinance Review**

Explore making changes to the City's Fair Housing Ordinance to more closely match the federal Fair Housing Act, as amended.

### **2015 Regional Analysis of Impediments to Fair Housing Choice (AI)**

The Regional AI completed in 2015 identified various impediments to fair housing choice and recommended actions that Raleigh could take to address them. The City's response was included in the 2015-16 Consolidated Annual Performance and Evaluation Report to HUD.

Below in bold are the City-related impediments identified in the regional AI completed in 2015, followed by City actions to address them.

Lack of affordable housing in high opportunity areas: On September 3, 2015, the Raleigh City Council adopted the Affordable Housing Location Policy which encourages development of City supported affordable housing in high opportunity areas.

Limited housing choice restricts access to community assets for members of the protected classes: The Wake Transit Plan would increase the percentage of the County's jobs within ¾ mile of all day transit service.

Transit system is fragmented and does not adequately connect Racially Concentrated Areas of Poverty (RCAPs) to higher opportunity areas: New transit plan addresses this and in November 2016 voters approved a transit tax to pay for massive new investments in transit throughout the City and County.

Members of the protected classes— particularly those living in RCAPs—are disproportionately denied mortgages in the private sector: The City continues to support homebuyer education, sponsors the building of affordable houses on City-owned sites, and provides low-interest second mortgages to make many sales within reach of lower-income families who otherwise may not be able to buy a house in the unsubsidized market.

RCAPs are clustered in the City of Raleigh, found primarily where lower income Black and Hispanic residents live. All of these areas are located within very low and low opportunity areas: The City adopted an Affordable Housing Location Policy in September 2015 to steer most of its affordable housing investments only to areas outside of RCAPs.

A local fair housing resource with enforcement and resolution power is needed in Raleigh: Local complaints received by the City are referred to the Fair Housing Project of Legal Aid of North Carolina and the Fair Housing Justice Center, who have the resources and expertise to address fair housing complaints.

The City needs a monitoring system in place to assure that its private vendor managing City-owned rental properties attend fair housing training: The City has always required its management company to attend fair housing training and adjustments were made to clarify this requirement in its monitoring system.

From pages 27-29 of City of Raleigh 2015-2016 Consolidated Annual Performance and Evaluation Report